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China in Africa: challenging US global hegemony

HORACE CAMPBELL

ABSTRACT *In the first decade of the 21st century China has been able to enter political, military and commercial deals with countries of the ASEAN community, the countries of Latin America and the Caribbean, and the countries and observers in the Shanghai Cooperation Organization (SCO). In November 2006 China sealed this circle with a strategic partnership with Africa at a major feast of leaders celebrating the friendship and co-operation between the two. The emergence of China as a force in Africa complicated the tussle between the EU and the USA over the 'who controls Africa'. The new relations between Africa and China could be described in the words of Gramsci, as, 'the old is dying yet the new is yet to be born'. Chinese relations with Africa combine elements of the old (extraction of raw materials), yet the experience of transformation in China ensures that there are many positive and negative lessons to be learnt. What is new is the prospect for the consolidation of African independence and the challenge to the hegemony of the dollar and US imperialism. I argue in this paper that, in the short term, one of China's most important roles will be to break the disarticulation between the financial and productive sectors of the economy and to stem the outflow of capital from Africa. In the long run the experience of linking new ideas of science and technology to a home grown path of reconstruction can be an important lesson for Africa. State-to-state relations are usually opportunistic and it is for this reason that transnational civil society linkages between the Chinese and African people will be more important than relations between leaders.*

Hence to fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting (Sun Tzu)

This adage of the Chinese philosopher is today being borne out with the development of the People's Republic of China as a global political and economic force. In the first decade of the 21st century China has been able to enter political, military and commercial deals with countries of the Association of Southeast Asian Nations (ASEAN) community, the countries of Latin America and the Caribbean, and the countries and observers in the

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Shanghai Cooperation Organization (SCO). In November 2006 China sealed this circle with a strategic partnership with Africa at major feast of leaders celebrating the friendship and cooperation between China and Africa. This took place at the Forum on China–Africa Cooperation (FOCAC).

Behind the language of friendship and co-operation lay an understanding of the vast treasures of Africa and the major genetic, mineral and energy resources that are coveted in this century of converging technologies. From the dawn of human transformations the resources of Africa have attracted friends and invaders. Arab traders had travelled far and wide making links in Africa in the period before European colonial penetration. Official Chinese rendition of the links between China and Africa placed the relationship as far back as the Han dynasty (206 BC to 220 AD). Chinese trade with Africa, however, grew intensely in the period 960–1279 in the period of the Tang dynasty.¹ This contact between China and Africa was qualitatively different from the experiences of European plunder, war and destruction that characterised the relations between Europe and Africa in the wake of the transatlantic slave trade.² At the end of the 19th century, Bismarck remarked after the Berlin Conference that ‘he who controls Africa will control Europe’. Bismarck represented the militarist, masculinist and chauvinist ideas that were to be later associated with the crimes of the imperial partitioning of Africa.

Walter Rodney outlined the imperatives behind imperial Europe in *How Europe Underdeveloped Africa*. Britain and France fought major wars of occupation to control African gold, copper, cocoa and rubber, while a system of apartheid was established to ensure the profitability of European settler farms, factories and mines. At the end of the Cold War, inter-imperialist rivalry led to the ascendancy of the USA, nudging out the Europeans by embarking on military and commercial partnerships with a number of African states under the guise of supporting ‘growth and development’. In the particular case of the aggressive efforts of the USA to oust the EU, the ruling circles sought to mobilise the positive sentiments towards Africa among African Americans in order to promote the imperial interests of the USA. The US State Department proudly reiterated the words of the former Commerce Secretary, Ron Brown: ‘the United States would no longer concede the African market to former colonial powers’.³

Towards the end of the 20th century, the USA established formal agreements through the Africa Growth and Opportunity Act (AGOA) in order to make direct links with African entrepreneurs. Both the Clinton and Bush administrations had agreed to redefine US relationships with Africa as a ‘mutually beneficial partnership based not only on common interests but [also] mutual respect’. In reality, however, there was never any respect for Africans or any real change in the racist policies of the US government.

In response to the US challenge the European Union established the Development of Partnership for Peace and Security and outlined the ‘European Union Strategy for Africa’. There was also the establishment of Regional Partnership Agreements and, faced with the emergence of the African Union, the EU heralded the aforementioned Development of Partnership for Peace and Security and outlined an elaborate strategy called

the 'European Union Strategy for Africa'. The EU committed itself to 'better and faster relations' with Africa based on finance, budgetary support co-ordination and coherence.

This counter to US competition was especially important for former colonial countries such as the Britain, Belgium, Portugal, Germany and especially France. Both France and Britain had been sufficiently concerned about US encroachment in Africa to induce them to forget their former rivalries. European intellectuals were not far behind, with a number of studies warning the European public of the 'Writing on the Wall' to quote one book title about China and the West in the 21st century.⁴ The author called on the West to go back to the traditions of the Enlightenment in order to combat China in the 21st century.

The emergence of China as a force in Africa complicated the tussle between the EU and the USA over the 'who controls Africa'. The end of the Cold War, the end of apartheid and the defeat of Mobutu Sese Seko (of Zaire) had speeded up a new approach to unity, leading to the transformation of the Organisation of African Unity into the African Union (AU). The AU set out to chart a course for the political and economic integration of Africa, and systematically sought to re-link the continent with its dispersed diaspora. China aligned itself to the AU and established new areas of co-operation, especially in the rebuilding of the infrastructure of war-torn countries such as Angola and the Democratic Republic of Congo. It was no accident that Angola was also a major oil exporting country with vast reserves of oil and natural gas. Angola had suffered from the military destabilisation of US and cold war warriors during the rampage of Jonas Savimbi, yet the same countries that destroyed Angola were making critical commentaries about the bold entrance of China into the Angolan economy. Chinese diplomacy provided space for manoeuvre for Africans by laying the basis for an alternative international system in the 21st century.

China had suffered from humiliation and occupation during its colonial period and the demands of the Chinese for transformation and respect are followed very closely on the African continent. The late Abdurrahman Mohammed Babu had (former Foreign Minister of Zanzibar and Tanzanian Minister of Economic Planning) been an early advocate of closer relations with China. In his book, *The Future that Works*, Babu had more than two decades ago spelt out the positive benefits of closer relations between China and Africa.⁵ Babu had been instrumental in the negotiations with Chou en Lai for the construction of the Tazara railway line to break dependence on Rhodesia. In his analysis and writings, Babu emphasised the need for a break with the old colonial model of exporting raw materials. Although Babu was not yet familiar with the impact of *African Fractals* on contemporary mathematical thinking his analysis was using the concept of recursion to conceptualise a new path forward.⁶

Africans everywhere are seeking to make the break with the iterations of war and plunder and have instinctively reached out to China. The new relations between Africa and China could be described in the words of Gramsci, as 'the old is dying yet the new is yet to be born'. Chinese relations

with Africa combine elements of the old (extraction of raw materials), yet the experience of transformation in China ensures that there are many positive and negative lessons to be learnt from it. What is new is the prospect of the consolidation of African independence and the challenge to the hegemony of the dollar and US imperialism. I argue in this paper that, in the short term, one of China's most important roles will be to break the disarticulation between the financial sectors and the productive sectors of the economies and to stem the outflow of capital from Africa. In the long run the experience of linking new ideas of science and technology to a home-grown path of reconstruction can be an important lesson for Africa. State-to-state relations are usually opportunistic and it is for this reason that, in the long run, transnational civil society linkages between the Chinese people and African peoples will be more important than the relations between leaders.

The historic meeting between the Chinese leaders and representatives of 48 governments in Africa took place in the Chinese capital in November 2006, at the same time that USA was bogged down in a fiasco in Iraq.⁷ The massive loss of lives in Iraq and the destruction wrought by US military occupation exposed the new reality of the diminution of the USA's prestige and credibility. It was in this period where there were major changes in the international system: *inter alia*, increased prices for commodities, new centres of financial investment, the rapid increase and spread of technology (especially information technology), and the political left turn in Latin America with the election of radical nationalist leaders in Brazil, Bolivia, Ecuador, Venezuela, Nicaragua, Chile, Uruguay and Argentina. The wars in the Middle East and Afghanistan, the lack of response to the ravages of Hurricane Katrina, as well as the imperial military posture of the sole superpower, had resulted in a negative image of the USA. The distinctive image of Chinese workers laying the foundations for a new communications infrastructure in Angola and Nigeria sharply contrasted with the images of US Special Forces military personnel deployed to fight terrorism under the Pan Sahel Initiative (now renamed Trans-Saharan Counter-Terrorism Initiative).

China today is drawing on the long relationships that were developed out of the struggles of the Chinese Communist Party (CCP) and the linkages that were developed during the period of Bandung. At the November summit the Chinese leader said clearly: 'In the new era, China and Africa share increasing common interests and have a growing mutual need'.⁸ After centuries of exploitation of African resources, European leaders and commentators began to pay closer attention to the Chinese presence in Africa.⁹ Following the Beijing Summit Western commentators were quick to understand the historic importance of this meeting for Africa. The German Chancellor, Angela Merkel, said pointedly: 'We Europeans should not leave the continent of Africa to the People's Republic of China... We must take a stand in Africa'.¹⁰

The most serious worry for the USA was expressed by the spokespersons of the IMF and the World Bank, who complained that China's unrestricted lending had 'undermined years of painstaking efforts to arrange conditional

debt relief'. Paul Wolfowitz argued that China would weaken the hold of the IMF and World Bank over Africa and accused it of fostering corruption. This was before the head of the World Bank was himself removed because of corruption.¹¹ US and European financial magnates were clearly concerned that China could now offer favourable loans to Africa, consequently weakening imperial leverage over African economies. Furthermore, as a German newspaper expressed it: 'The dollar is still the world's reserve currency, even though it hasn't deserved this status for a long time. The devaluation of the dollar can't be stopped—it can only be deferred. The result could be a world economic crisis.'¹² US money managers were not unaware of this reality and in the name of portfolio diversification have been reinforcing the weakening of the US currency, moving money out of the dollar area to the tune of \$1.1 trillion dollars since 2003.¹³

The decline of US imperial hegemony has been hastened by the internal contradictions of the social system and the mistaken belief within the political class of the USA that military power can be substituted for economic strength. Chinese planners and government functionaries understand that the devaluation of the dollar is being deferred by China itself, hence the accelerated plans for investment and the forging of alliances across all continents. Chinese planners foresee an era where African minerals and genetic resources will be more worthwhile than US Treasury Bills.

China has slowly built up a network of relations through five continents to counter US influence. Despite the drive for raw materials and the traditional forms of current investment, the pace of technological change is occurring so fast that there will be unforeseen consequences for both China and Africa, because neither can escape the implications of the qualitative leaps in economic activity that will emanate from the solar revolution and the convergence of new technologies.¹⁴

China as a global power

China's trade and economic assistance to Africa has grown by geometric proportions: by the end of 2007 China will surpass Japan and the USA in economic assistance to Africa. Official Chinese documents divide the country's economic and trading relations with Africa since the Revolution into three periods: 1949–78, 1979–94 and 1995 to the present. The volume of Chinese trade with Africa has risen from US\$81.7 million in 1979 to US\$6.84 billion in 1989 to US\$39.75 billion in 2005.¹⁵ This change in Chinese trade with Africa is one reflection of the explosive growth in the Chinese economy. Between 2004 and July 2006 'China's GDP has grown by one third. Since 2000 China's fixed investment has tripled from US\$400 billion to an expected US\$1.3 trillion in 2006.'¹⁶ The growth in the Chinese economy was so rapid and explosive that the figures and forecasts became outdated by the time the IMF analysts produced them. In the middle of 2007 it was announced by the People's Bank of China (the Chinese Central Bank) that Chinese

foreign reserves stood at over US\$1.4 trillion. The Chinese State Administration of Foreign Exchange announced that foreign exchange holdings from foreign trade had been expanding at the rate of \$18.8 billion a month during 2006. These figures were revised upwards in 2007 and, by accumulating reserves of more than US\$100 billion per quarter, the Chinese were slated to overtake Japan as the largest holder of US dollar reserves by the end of 2007.

At the end of 2000 China's forex reserves stood at \$165.6 billion, but by 2006 its aggressive economic and commercial activities had placed China in a position where it held 20% of the world's foreign exchange with about 70% of its holdings in dollars. In contrast, US debt had risen to over \$9.5 trillion. The National Bureau of Statistics raised its estimate of China's 2006 growth rate from 10.7% to 11.1%. By the middle of 2007 it was being forecast that by 2008 China would surpass Germany as the third largest economy in the world. China's huge domestic market, with over 1.5 billion citizens, insulates the economy from drastic global capitalist cycles of recessions and booms. It was totally impervious to the 1997–98 Asian financial crisis.

The Chinese economy is unusual in that this is a booming capitalist economy controlled by a communist party that is still guided by the dictum of democratic centralism.¹⁷ Since the opening up of China to Western capitalists the alliance between the government and foreign capital has led to intolerable conditions for workers, with wages so low that sweatshops proliferate. The company Wall Mart, (known in the West for its anti-worker and anti-union policies) is emblematic of the kind of corporation that has invested heavily in China.

Low wages and low production costs underpin the manufacturing industries of textiles, automobiles, television sets, steel, chemicals, pulp and paper, and plastics. It is this low wage economy that enables China to flood the world market with cheap commodities. The environmental consequences of this model have deepened issues of desertification, pollution and the poisoning of water supply systems. It was not possible to develop capitalist enterprises without the consequences of the destruction of the environment. It is now being argued that China is becoming one of the leading polluters in the world.¹⁸

Chinese car manufacturers are seeking to surpass the US automobile industry in the next two decades and these developments heighten the concerns of environmentalists, who recognise the severe urban air pollution generated by motor vehicles. Chinese consumption of steel, rubber, glass, oil and other raw materials has increased the global demand for raw materials and led to increased competition and higher prices. The rapid growth of the Chinese economy grips the imagination of security experts, who ponder the global implications of these economic tremors. One of the leading investment firms in the USA, Goldman Sachs Investment Company, speculated that, by 2030, the countries of Brazil, Russia, India and China (the so-called BRIC economies) will eclipse the rich economies of Europe and North America. This is but one example of 'the new being born'.

US national security strategy for managing China

While investment houses and the OECD were speculating on the potentialities of the Chinese economy, US military and security officials have been building military bases and alliances in East Asia and Eurasia up to the border with China. In February 2002 the *Washington Post* published a map of the military bases of the USA and the projections of US power in Asia. Following the invasion and occupation of Iraq in March 2003, US forward bases expanded in the Middle East and Eurasia, while NATO expanded right up to the border of Russia. US military facilities and co-operative security locations were expanded in the so-called 'fight against terrorism', but in reality this was an excuse for unilateral expansionism. Although authors of works such as *Blood and Oil*, *Resource Wars* and *The Global Chessboard* explained this expansion on the basis of US petroleum interests in Central Asia, there are other analyses that point to US forward planning being preparation for dealing with the long-term impact of the growth in the Chinese economy. The National Intelligence Council's *Global Trends 2015* study, published in 2000, claimed that:

China by 2015 will have deployed tens to several tens of missiles with nuclear warheads targeted against the United States...[and] would seek to adjust regional power arrangements to its advantage, risking conflict with neighbors and some powers external to the region.¹⁹

This document was in essence a muted expression of the old anti-communist position.

For a short while there was the discourse within the Clinton administration that portrayed China as a 'strategic partner'. However, this discourse was replaced by the more aggressive language of the Bush administration, which saw China as a 'strategic rival'. The National Security Strategy paper published by the Bush administration in September 2002 declared that 'no state will be allowed to challenge the military supremacy of the United States in the 21st century'. The National Security Strategy maintained *inter alia*, 'Our first objective is to prevent the re-emergence of a new rival... that poses a threat on the order of that posed formerly by the Soviet Union... Our strategy must now refocus on precluding the emergence of any potential future global competitor.'²⁰

As is now well known, there have been significant military reversals for the US strategy in Afghanistan and Iraq. In light of these reversals, and of the open rifts within the US military establishment, there was another National Security Strategy position paper presented by the Princeton Project on National Security. This high-level review published at the end of September 2006, under the title 'Forging a world of liberty under law: US national security in the 21st century' called for 'managing the relations with China' and urged the US establishment to develop a political and economic strategy to 'engage China'.²¹

The significance of this document lay in the call for a closer alliance between the EU and the USA in building a 'concert of democracies'.

Emphasising that China was a major purchaser of US debt, and acknowledging the limited economic options in relation to the rise of China as a major force in the world economy, the Princeton luminaries returned to the discourse of 'strategic partnership' between China and the USA. Despite this retreat from the strident language of the 2002 National Security Doctrine paper, there was no retreat from the concept of full spectrum dominance that formed the basis of the military planning of the Pentagon. This posture was best expressed in an article in the *Atlantic Monthly* by Robert Kaplan, 'How we would fight China'.²²

Chinese long-term planning

Chinese leaders studied the plans of the US establishment and undertook a process for the projection of multidimensional power along with the building of new alliances. The most important new alliance was in its relations with Russia, the EU (in particular Germany), the countries of Asia, Latin America and the Caribbean, Iran and India and, most importantly, the countries of the Shanghai Cooperation Organisation. A strategic alliance between China and Russia is at the base of the SCO, but it also includes Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. These countries cover an area of over 30 million km², or about three-fifths of Eurasia, with a population of 1.455 billion, about a quarter of the world's total. Its working languages are Chinese and Russian. Furthermore, Mongolia, Iran, Pakistan and India have observer status, and all of them—except India—have applied for full membership. With China holding \$1trillion in reserves and Russia also holding large reserves of foreign currency, the Russian and Chinese leaders have agreed to bilateral financial and trade agreements outside the sphere of the dollar. In May 2006 the Russian president, Vladimir Putin, called for an acceleration of the convertibility of the ruble noting that:

The ruble must become a more widespread means of international transactions. To this end, we need to open a stock exchange in Russia to trade in oil, gas, and other goods to be paid for in rubles.²³

Western Europe paid even closer attention to the SCO in August 2007 when troops from Russia, China and four Central Asian countries held joint military exercises in Russia's southern Ural Mountains, near the Kazakh border.

Germany has paid close attention to the energy and security arrangements of the SCO and German corporations have been seeking to become party to the massive contracts for building gas pipelines out of the immense gas fields of Russia. This new attention led to two state visits to China by the German Chancellor. Angela Merkel, the same Chancellor who noted that Europe would not leave Africa to China, made two state visits to China in less than 18 months and signed 19 agreements. German involvement with Russia and China shows that the German leaders had understood the importance of Russian energy after the reversal of the Orange Revolution in Ukraine and the Russian challenge to Royal Dutch Shell. Arrangements for trading

energy that excluded US oil conglomerates became the key link that strengthened the relations between the Russian and Chinese governments.

Iran has also moved to deepen its ties with both Russia and China. At the same time Iran and China signed major energy deals. According to *Asia Times*:

In March 2004, China's state-owned oil trading company, Zhuhai Zhenrong Corporation, signed a 25-year deal to import 110 million tons of liquefied natural gas (LNG) from Iran. This was followed by a much larger deal between another of China's state-owned oil companies, Sinopec, and Iran, signed in October 2004. This huge deal also enlists substantial Chinese investment in Iranian energy exploration, drilling and production as well as in petrochemical and natural gas infrastructure.

One expert on China noted that even societies such as Saudi Arabia were now developing closer relations with it. Henry CK Liu observed that big producers of energy, 'such as Saudi Arabia and small Gulf States as well as Iran, are independently shifting the oil trade to China away from the US'.²⁴

Chinese influence in Asia

The consolidation of Chinese–Russian relations emerged after 20 years of developing similar relationships in East Asia. Driven by the dynamic growth in the Chinese economy, the Asian region bounced back from the economic crisis of 1997.²⁵ The Chinese economic transformation anchored the recovery of the states that had been looted after the Asian crisis, and it was at this juncture that China started to replace Japan as the central economic actor in Asia. Malaysia, Singapore, South Korea and other Asian states had become major players in the world economy. By the end of 2005 they contributed over 33% of world output. China has become a major force in ASEAN, selectively co-operating with Japan on issues that can lead to regional economic stability.²⁶

China's massive investments in East Asia and the consolidation of a new financial/commercial architecture outside the framework of the Bretton Woods institutions has been one of the most outstanding achievements of the Chinese government in the past decade. China is also involved with the countries of East Asia in setting up the infrastructure for an Asian Bond Market. One of the goals of this Bond market is to mobilise Asian savings for Asian long-term investment in local currencies, thus reducing reliance on international capital markets.

While conservative realist writers gloat about US military capacity in the Pacific region, China has strengthened its regional economic and political leverage. The USA maintains an expensive and expansive network of military bases across the Asia-Pacific region, but the shift in Chinese power has meant that even countries such as Singapore and Malaysia have refused to participate in provocative military exercises in the South China Sea. In the long run it will be the Chinese who will help to decide how the massive military forces of the US Pacific command are paid for.

Two issues, challenging the Bretton Woods institutions and raising the question of reparations has endeared the Chinese leadership to Third World leaders, contributing to the expansion of relations between China and Latin America and the Caribbean.

Third World solidarity: China and Latin America

While developing capitalist enterprises and competing as a global economic power, China has still drawn on its socialist heritage and anti-imperialist discourse to expand its relations with Latin America and the Caribbean. During 2000–06, China's leaders traversed Latin America, while Latin American politicians visited China to sign new deals. This brand of Third World solidarity coincided with a major political change in Latin America and the Caribbean. Throughout the region peoples who had suffered from the neoliberal policies of the IMF, as well as from the exploitative relations that emanated from an oligarchy aligned with the USA, used electoral contests to empower new leaders in Venezuela, Bolivia, Brazil, Chile, Argentina, Uruguay, Nicaragua, Peru and Ecuador. In particular, leaders such as Hugo Chavez of Venezuela and Evo Morales of Bolivia were open in their support for a new path to socialism, as well as for an alliance with Cuba.

China has promised to invest over \$100 billion in Latin America in the next 10 years and Chinese trade with Latin America has moved from \$200 million in 1975 to over \$40 billion by the end of 2004. This rapid increase in trade and investment cannot compare to the long traditions of US foreign direct investment (FDI) in Latin America, but in the blossoming trans-Pacific partnership between China and Latin America, with 400 agreements and business deals already signed in the past several years, there has been a direct challenge to the Monroe Doctrine. This new challenge has been demonstrated in the security and commercial deals signed between Cuba and China. While the USA has maintained its trade embargo against Cuba, the Chinese have promised to invest millions in the nickel industry at the same time as providing security assistance to Cuba. Additionally, Sinopec—one of the largest oil companies in the world—has announced it will begin searching for potential oil fields off the Cuban coast.

Chinese engagement with Cuba deepened and strengthened the anti-imperialist alliance in Latin America and emboldened the social forces which were seeking alternatives to the crippling effects of the domination of US-based multinational corporations. This was the context in which trade deals were signed between China and Brazil, Colombia, Venezuela, Peru, Panama, Ecuador, Chile, Argentina and Uruguay. China has also pledged investments in roads, railways, ports and housing, including assistance for the widening and modernisation of the Panama Canal.

Chinese relations with Africa

It is against this new vibrancy of China in the international arena that one needs to assess the November 2006 China–Africa forum in Beijing. Just as

China has joined the Caribbean Development Bank (CDB) and participated in new financial instruments in Asia (such as the Asian Bond Market), it has become an energetic member of the African Development Bank. In May 2007 the government of China hosted the annual meeting of the African Development Bank in Shanghai. One of the principal outcomes of the China–Africa summit was the promise of the establishment of a China–Africa development fund.

Despite numerous fine sounding agreements, the relationship between Europe and Africa can be described as neocolonial. The US Agency for International Development (USAID), the European Union and the World Bank claim to be fighting poverty in Africa but, after two decades of structural adjustment, the conditions of the African poor have worsened, with indices of exploitation and deprivation increasing by geometric proportions. At the present pace of investment in Africa from the West, according to one estimate, it will require more than 100 years to realise the Millennium Development Goals. Chinese investment potentially provides an alternative for African leaders and entrepreneurs, while providing long-term potential for the development of African economies.

While progressive African intellectuals and activists continue to be critical of the World Bank conditionalities in relation to ‘good governance’, it is crucial that leaders who represent themselves as anti-imperialist be exposed when they use slogans to cover up the repression and brutalisation of their citizens. Both Zimbabwe and the Sudan are good examples of such leadership in Africa. As a rising global force China is playing the traditional geopolitical game and the Chinese leadership is not above placing its national interests before the interests of the Sudanese and Zimbabwean people. China has placed its own energy needs ahead of the needs of people in Sudan, despite the evidence of the genocidal violence in Darfur. For a short while China used its position in the UN Security Council to shield the Sudanese government but the Chinese posture in the UN began to change in 2007 after a number of international celebrities called for a Beijing Olympic boycott over China’s stance on Darfur.²⁷

It is also clear that the Chinese leadership is making the same errors that were made in the past when it supported Jonas Savimbi in Angola, because Savimbi had presented himself as an enemy of the USSR and Cuba. This episode seems, however, to have been forgotten by the Angolan government, which has recently signed major deals with China. The Angolan government has contracted with Chinese companies to repair the country’s infrastructure with contracts worth \$1.9 billion.²⁸ China is acting as a major economic player and in the short run has assisted the government of Angola to negotiate with the West from a position of strength. More recently, in September 2007, the Chinese government advanced a loan of \$5 billion to the government of the Democratic Republic of Congo to modernise its infrastructure.²⁹ This will be the biggest investment in the infrastructure of the DRC since the terrorism of King Leopold and the Belgians.

Despite the attempt of some Western pundits to place the stamp of imperialism on these new relations, there is a number of features of Chinese

relations with Africa that distinguish China from the EU and the USA. First and most importantly, China was never a participant in the inglorious transatlantic slave trade. Second, there has been no tradition of Chinese colonialism, genocide and occupation in Africa. Third, China embraced the African liberation process with diplomatic, political, material and military support. Fourth, both China and the AU formed the part of the South–South bloc in the WTO, opposing the patenting of life forms and the hegemonistic plans of US-based biotech corporations. Fifth, China has not been identified with the structural adjustment policies that impoverished Africa over the past 30 years. These features must be borne in mind when analysing the medium- and long-term implications of the Chinese engagement with Africa.

New strategic partnerships with Africa

The Beijing Summit witnessed the establishment of a new strategic partnership between China and Africa involving new trade and infrastructural relations with select African governments. An action plan was announced involving Chinese support in areas such as political and economic co-operation, human resource development, culture, education, health, environment, tourism and media. To give meaning to the action plan, a number of initiatives to strengthen this partnership were announced: to double China's 2006 assistance to Africa by 2009; to provide \$3 billion of preferential loans and \$2 billion of preferential buyer's credits in the next three years; to establish a special fund of \$5 billion to encourage Chinese investment in Africa; and to cancel some debts owed by the heavily indebted poor countries and those least developed countries that have diplomatic ties with China.

In global terms the figures for loans and investments seem minor compared to the kind of investments that China has been making in Asia and Latin America. But it is the consequent strategic shift in global politics that is significant. The challenge for China is to move beyond declarations and to demonstrate that its relations with Africa will be different in content from the relations and declarations that have been made at the Franco-African summits.

The rapid rise of China is a testament that poor societies can rise beyond colonial exploitation and the mangled priorities of societies which ensure that colonial societies remain a producer of raw materials. Both China and South Korea have demonstrated that poor countries can be transformed through targeted state intervention in the economy. These countries broke with the old models of accumulation and the changes in their economies led to an increased standard of living for their people. Thus far, China has invested in the extraction of minerals and energy in Africa but the inflow of Chinese capital will have a more profound impact, especially in relation to the dynamism of the technological revolution, and particularly to Africa's relations with the international financial institutions.

With the rise and dominance of the IMF and World Bank there has been a massive outflow of capital from Africa. Patrick Bond has documented this outflow in the book, *Looting Africa: the Economics of Exploitation*. One estimate by Abdulrahman Babu is that there is about \$200 billion drained from Africa every year associated with IMF and World Bank structural adjustment programmes. Africans had been saddled with the odious debt and it is estimated that, 'between 1980 and 2006, \$675 billion has been extorted to finance the debt service flows from the African continent, even though it is the poorest in the world'.³⁰ Yash Tandon has drawn attention to the fallacies that FDI has improved the economic situation, and has shown how FDI has resulted in draining resources out of Africa. This draining came from remittances of profits, debt payments, loss of capital on account of structural adjustment programmes, privatisation of public assets, patent and copyright fees, management and consultancy fees, biopiracy, etc.

The dominance of the dollar, pound and the French franc has reinforced the lack of coherence in the African economies. There has been disunity between their financial and economic sectors. In the era of neoliberalism the importance placed on stock exchanges and financial markets (in order to attract investments) has meant that speculators and financial instruments abound in a continent that needs productive capital and trained human resources. From Angola to Kenya and from Algeria to South Africa, the emphasis placed on the development of financial instruments has reinforced the disarticulation of African economies. This disarticulation between the financial sector and the productive sector is most manifest today in Zimbabwe: while its economy has contracted, with inflation running at over 7000%, Zimbabwe's stock exchange is currently yielding the highest rate of profits in Africa.

This feature of speculative capital dominating African societies is not unique, although the case of Zimbabwe exposes the extreme case of the lack of convergence between financial markets (foreign exchange dealers and speculators) and economic activities. Foreign exchange dealers do not service African economies. In Nigeria it is reported that, since independence, over \$384 billion has been siphoned out of the economy.

Both Nigeria and Zimbabwe are societies where Chinese companies have been active in the past six years. It is not yet clear how the Chinese traders and bankers will deal with this history of speculation and the export of capital. Thus far China does not have the infrastructure of civil society agencies such as non-governmental organisations, missionaries and donor groups to provide the 'humanitarian' cover to smooth the progress of the kind of corruption that is now endemic in Africa. There have been criticisms of Chinese engagement with Africa from workers in the textile sector in both Nigeria and South Africa. It is not by accident that these are societies with very strong trade union and civil society organisations. Domestic civic vigilance may be the best guarantees of preventing the Chinese promise for Africa from turning counter-productive for ordinary people.

Is China a rising imperial state?

This is the question that has been raised by scholars inside and outside of Africa. According to *Pambazuka News*:

Almost every African country today bears examples of China's emerging presence, from oil fields in the east, to farms in the south, and mines in the center of the continent. According to a recent Reuters report, Chinese-run farms in Zambia supply the vegetables sold in Lusaka's street markets, and Chinese companies, in addition to launching Nigerian satellites, have a virtual monopoly on the construction business in Botswana.³¹

If one analyses imperialism as the highest stage of capitalism (in the terms used by Vladimir Lenin at the beginning of the 20th century), it is not yet possible to characterise the actions of China as imperialist. To grasp the many-sided aspects of imperialism it is necessary to revisit the writings of those such as Lenin, Walter Rodney and Edward Said. Western imperialism in Africa is represented by an array of cultural, financial, gendered, religious and military forces. China does not yet have this broad-range presence in Africa. More importantly, after struggling against apartheid and neocolonialism, Africans still have the memory of the kind of organisation necessary to maintain self-determination.

Chinese banks, oil companies, insurance companies, construction conglomerates and trading firms do not yet have the kind of self-confidence and track record to act with imperial impunity, as did the more robust and experienced imperialist entities from those societies that underdeveloped Africa. This is not to say that the capacity for imperial plunder will not arise, but the important point for Africans is that the rise of China is emerging in a period after Africans defeated apartheid and the last vestiges of colonial rule.

Human rights activists have pointed to the relations between China and the Sudan and Zimbabwe as examples of the willingness of the Chinese to prop up unpopular leaders. Yet in these societies there are opposition forces that are mobilising to effect change. The present Chinese entry into Africa will be affected by the rise of African social movements and it will be the task of the social movements in Africa to make links with Chinese workers and organised activists to expose the realities of the genocidal actions of the Sudanese government (especially in Darfur). Thus far, China has been able to escape the quagmire of the politics of the Middle East and has been supportive of those fighting for self-determination in Palestine. It will be the task of the Sudanese and African activists to educate those Chinese who want to understand Africa. More importantly, the struggles for democracy in Africa are being widened by African workers who are in the forefront of opposing the slave-like conditions of Chinese workers employed on contract in Africa. These democratic struggles ensure that state institutions such as the Bureaus of Standards are strengthened to stop the dumping of hazardous products in Africa.

To quote *Pambazuka News*: 'It would be wrong to suggest that China's impact only raises problems, or is merely a re-run of past imperialisms . . . But

that does not mean that the 'Chinese option' could not also be exploited to widen the room for all African states, not only those abusing human rights'.³²

African peoples and governments are not passive bystanders in the global struggles for a multipolar world. It is in this emerging reality of the struggles for African reconstruction and transformation that the differences between China and Europe lie.

Conclusion

The insertion of Chinese financial resources into Africa is occurring at a moment when there are major technological changes in the world economy. The present thirst for African oil is now driving China, but technical change is so rapid that within a generation there will be new sources of energy and new technologies to tap into both solar energy and hydrogen fuel-cell technology. Nanotechnology, biotechnology, information technology and cognitive technologies are slowly changing the nature of economic relations. In the past 10 years the impact of the internet and the cell phone has been felt in the most remote areas of Africa. China is investing in these new technologies.

According to the *Guardian*, 'the Sahara desert is a vast source of energy that can promise a carbon-free, nuclear-free electrical future for all Europe, if not the world'. The German scientists who made this commentary noted that 'covering just 0.5% of the world's hot deserts with a technology called concentrated solar power would provide the world's entire electricity needs, with desalinated water for desert regions as a valuable byproduct, as well as air-conditioning for nearby cities'. European scientists may dream of African resources for Europe but there is a new generation of scientists and committed activists who are struggling to ensure that African resources are mobilised for wealth creation in Africa.

China's economy is growing at a pace where it will need to keep abreast of the rapid technical changes. Chinese and Indian universities are now competing with North American and European universities in many profound ways. The new partnership between China and Africa opens new opportunities for African intellectuals and activists who want to move Africa in a new direction. People-to-people relations between the Chinese and African peoples can lay the foundations for exchanges between African and Chinese traditional healers, between African and Chinese health workers and between Chinese and African engineers and scientists. China has been able to transform its economy while retaining those aspects of the Chinese knowledge system that emanated from the long history of Chinese society. This is one area where the interest of Africans and the Chinese converge.

The other area where the interests converge is on reparations. China has been forthright in its call for the Japanese to rewrite its textbooks to reflect a different account of the Japanese occupation of China. African activists share the same goal of calling on Europe and the USA to repair their relations with Africa after centuries of the slave trade and colonialism. After the end of colonialism and apartheid European societies continue to teach their children that Europe entered Africa in order to civilise the 'savages'. This discourse

reproduces the culture of imperialism and continues with international NGOs representing the modern missionaries in Africa.

For these reasons we can conclude that Africans should have a short-term, medium-term and long-term view of the relations with China. In the short term African progressive forces must engage with China to hasten the break with the Western imperial forces over Africa. In the medium term the popular democratic forces must strengthen African co-operation leading, to the Union government of Africa. This will be the period when it will be essential to break the disarticulation between the financial and productive sectors of the African economies. In the long term Africans have to guard their independence because all big powers in the final analysis seek to act as hegemons. The major conclusion of this paper is thus that Africans must be vigilant in the process of building new relations with China.

We started this analysis by quoting the Chinese philosopher Sun Tzu on the question of breaking the resistance of the enemy without fighting. In our analysis we have argued that in less than a decade the decline of the USA has accelerated, and the Chinese have been able to break out of US military encirclement without engaging the US militarily. At the same time the opening for socialism in Latin America and the investment of the Chinese have opened new opportunities for alternative modes of economic organisation. Since the start of the war in Iraq this process has accelerated. These changes have profoundly affected Africa. Most profound of all is the ability of Africans to defy the conditionalities of the Bretton Woods institutions. This defiance will have an impact on the dollar as the currency of world trade.

China is seeking to diversify its holdings away from the dollar, and investment in Africa in the long run will prove to be more profitable than holding dollars. It is this reality that ensures that the role of China in Africa will intensify in the short term. At the meeting of the African Union in July 2006, Hugo Chavez, president of Venezuela, called for the establishment of a Bank of the South to replace the World Bank. African scholars who have been critical of the submissive ideas behind the New Economic Partnership for Africa's Development (NEPAD) can study the implications of the 'dollar illusion' for Africa and work with other societies that have been colonised to establish the 'International Bank for Reparations and Reconstruction' as the new Bank of the South.

In the long run, as Africans transform their societies, the task will be to ensure that the relations between Africa and China do not repeat centuries of underdevelopment and exploitation. While this new road is being built, African peace activists will have to work with the international peace movement to ensure that the old competition of capitalism does not lead to another global war.

Notes

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- 16 Hutton, *The Writing on the Wall*, pp 330–331.
- 17 *Ibid*, chs 5–7 on the analysis of 'the economic halfway house'. See also Terry Boychuck, 'China's authoritarian market economy', in Boychuck, *Chinese Worlds: Multiple Temporalities and Transformations*, Minneapolis, MN: Macalester International, 2007.
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- 20 See 'The National Security Doctrine of the United States of America', at <http://www.whitehouse.gov/nsc/nss.html>.
- 21 <http://www.wvs.princeton.edu/ppns/report/FinalReport.pdf>.
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- 32 *Ibid*.